



*15th IDEA Seminar - Defense Systems
Management College, Fort Belvoir, Virginia.
Presentation by Stephen Logan,*



Organisation for Joint Armaments Co- operation

23rd June 2003

Overview

- What is OCCAR?
- Why was OCCAR created and what is driving it forward?
- How is OCCAR organised and how does it work?
- What happens next?



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What is OCCAR?

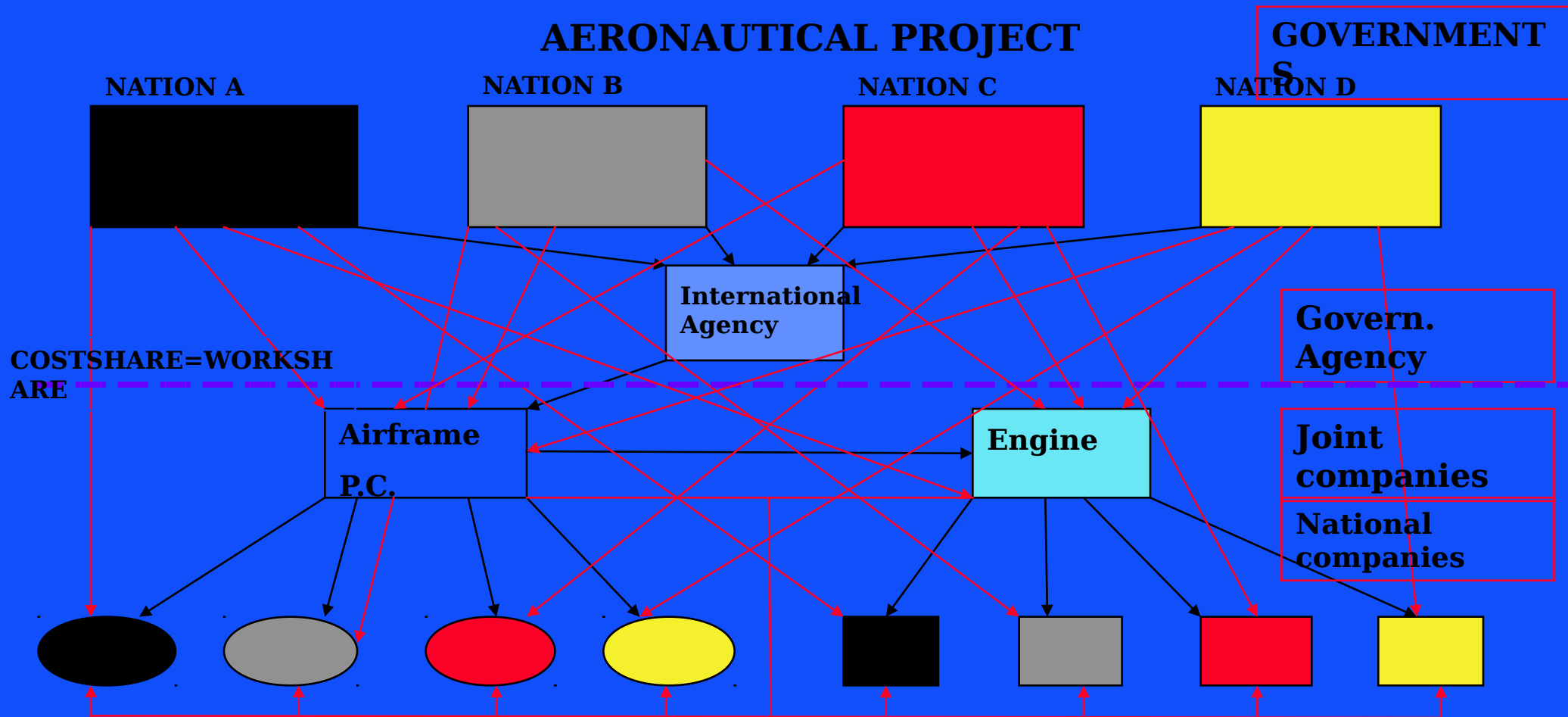
- The Organisation for Joint Armaments co-operation
- A practical focus for modernising the basis of defence collaboration in Europe.
- Real people, real programmes and agreed rules.



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THE CONSENSUS MONSTER



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Why Create/Why Develop? - Waves of Change 1

- Fall of Berlin Wall - 1989

Industrial Consolidation due to reduction in Defence Budgets

Supply Side change

- Dissatisfaction with outputs from existing collaborative models

- WEAG / WEAO
- OCCAR Convention
- LOI
- EAA

Demand Side change



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Why Create/Why Develop? - Waves of Change 2

- US Revolution in Military Affairs / Growing Technology Gap (US/ EUR)**
- September 11 (2001) and massive increase in US defence spending**
- Slow European Reaction to Technology Gap**
- EU Convention (2002 / 2004)**
 - Working Group 8 Report**
 - Time Table**
 - Intergovernmental Conference 2004**
- Continuously rapidly changing military industrial / economic context**



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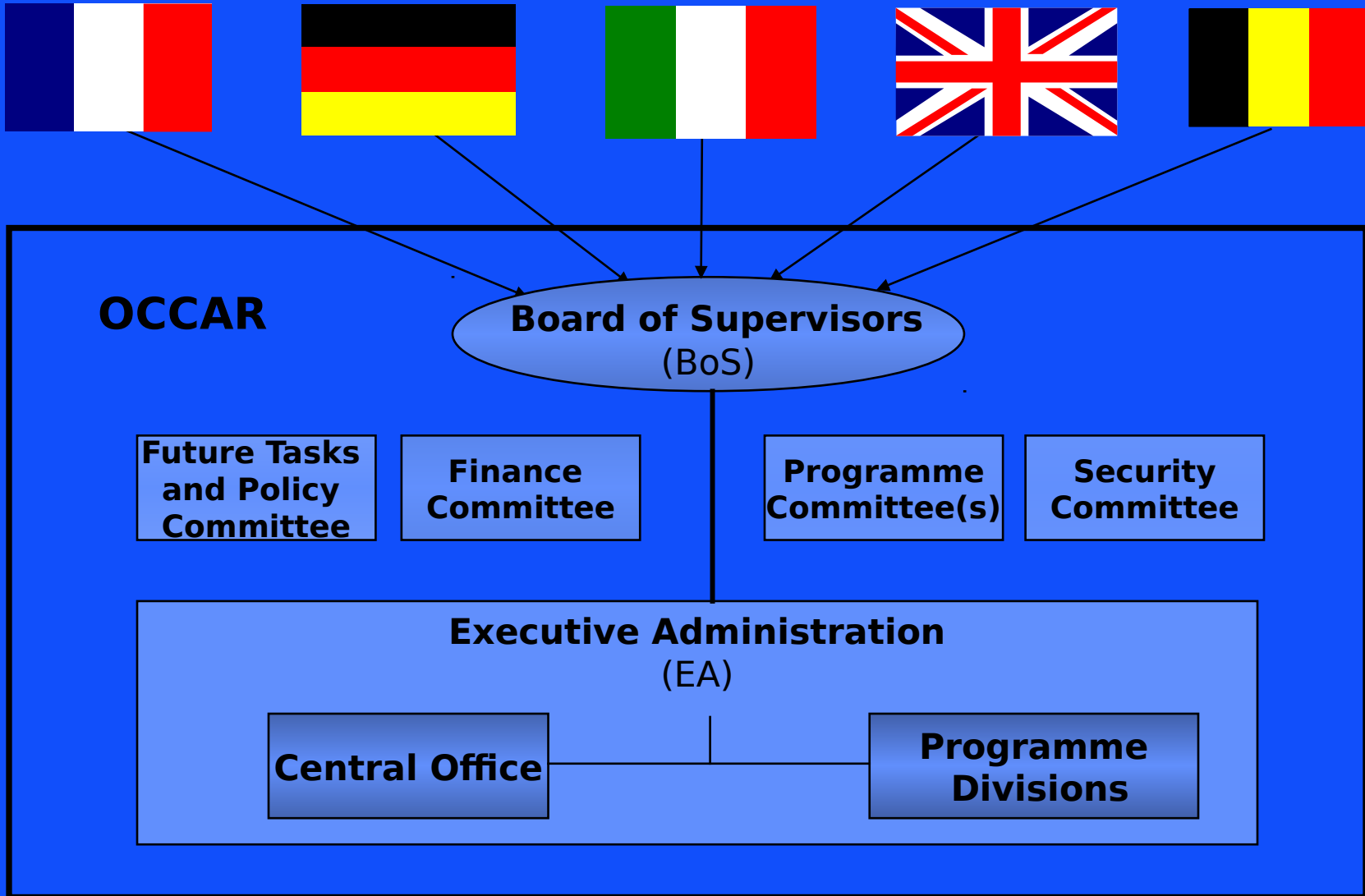
How Organised? - THE FIVE PRINCIPLES

- 1 - Cost effectiveness
- 2 - Harmonisation (requirements, technology)
- 3 - Competitive industrial base
- 4 - Renunciation of "Juste Retour" (Global Balance)
- 5 - Open to other countries

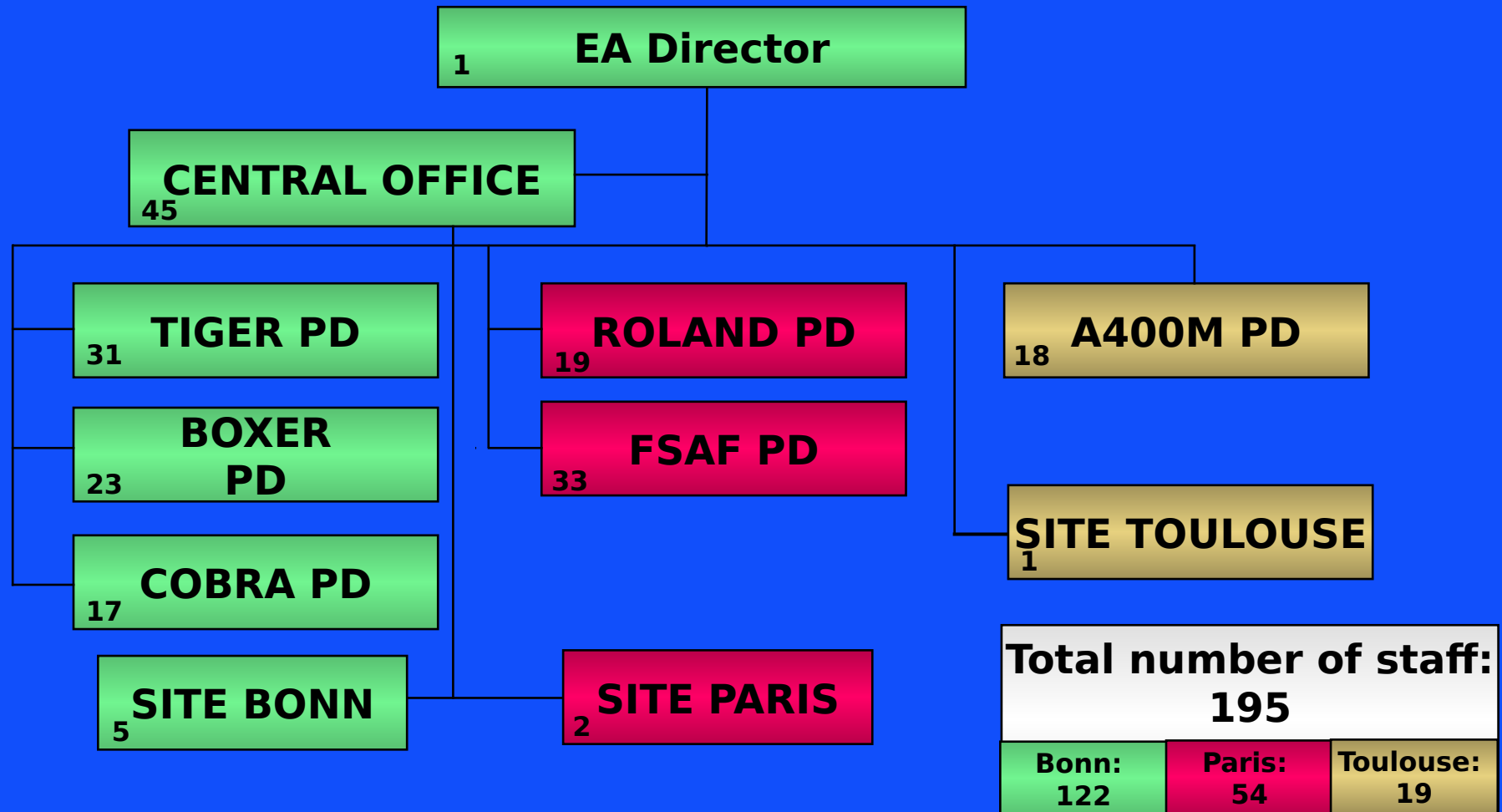


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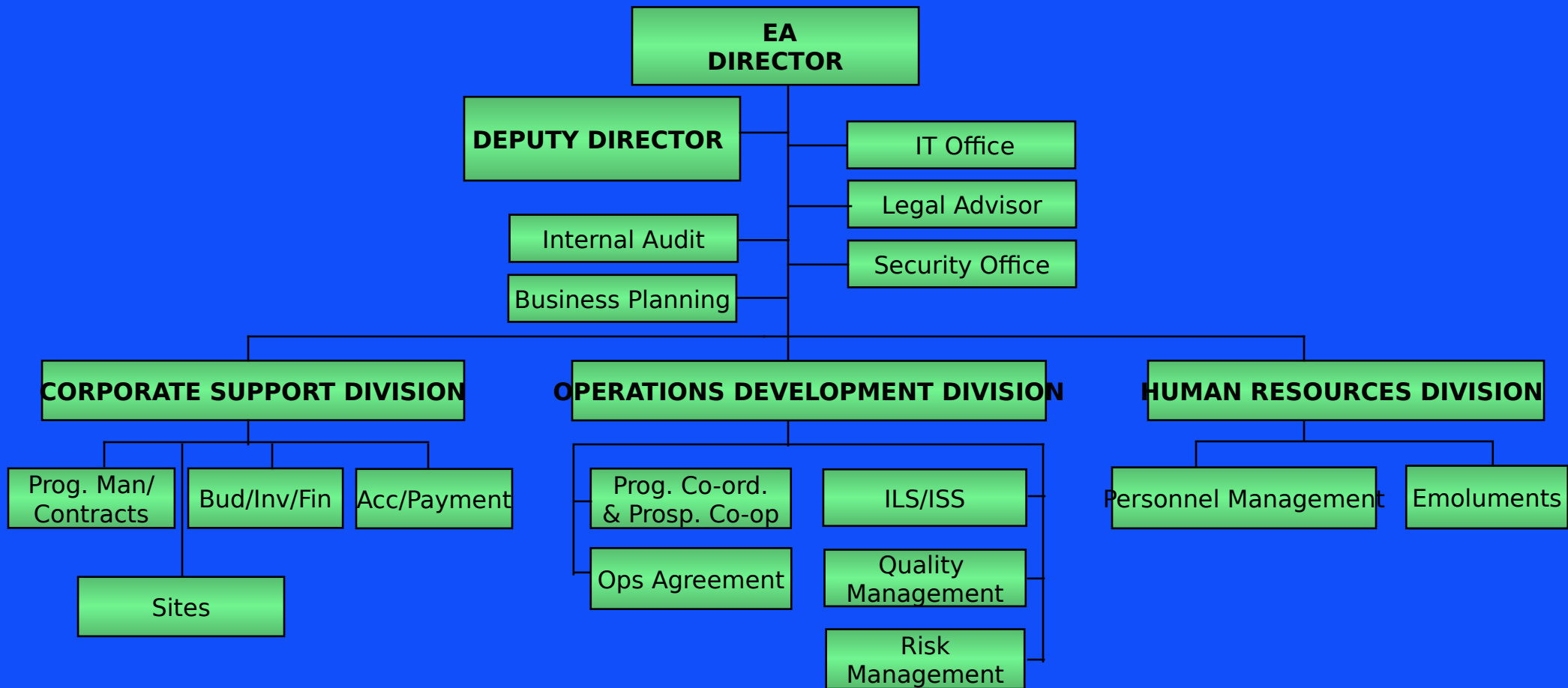
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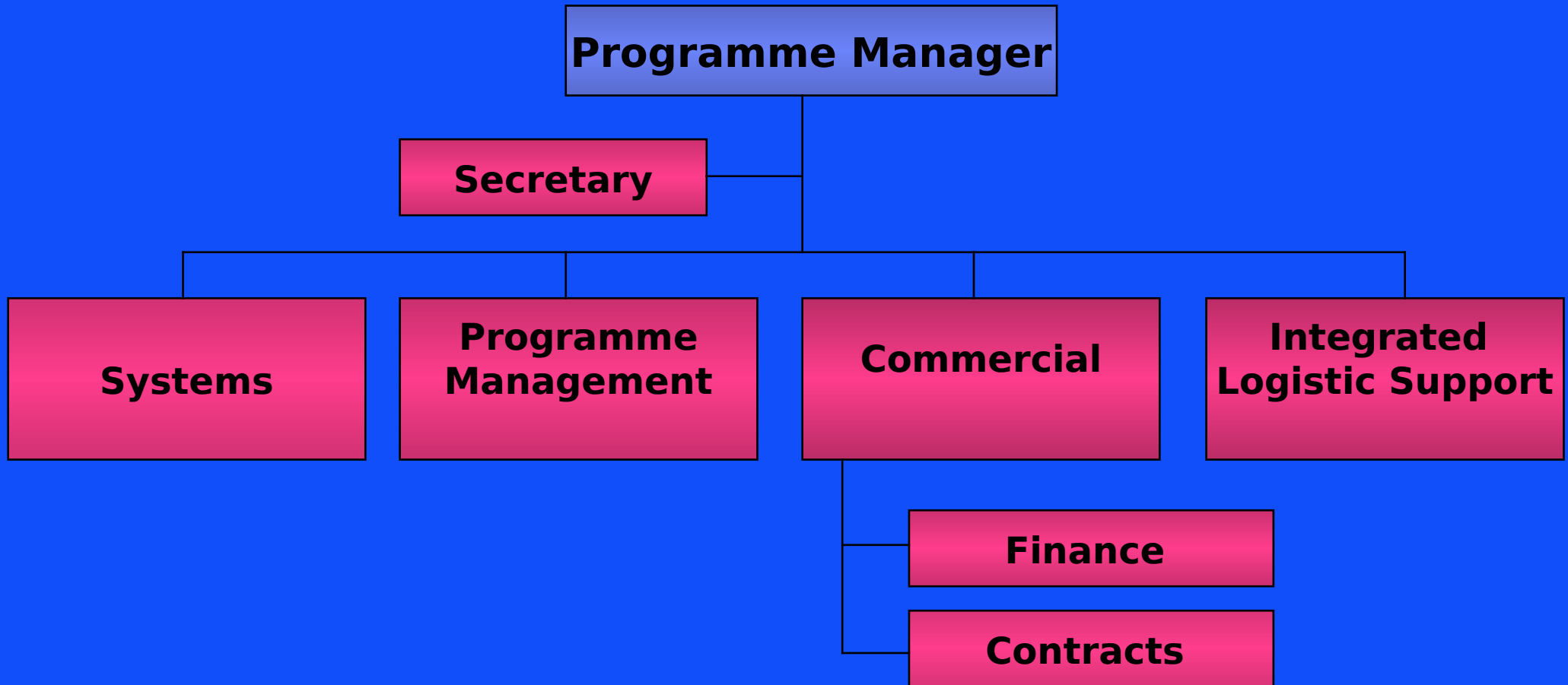
The Executive Administration (EA)

























Central Office



Typical Programme Division Functions



OCCAR PROGRAMMES

| | | |
|------------------|---|--|
| BOXER | Multi role, wheeled, armoured vehicle |    |
| COBRA | Counter battery radar |    |
| FSAF | Future Surface-to-Air missiles Family |   |
| ROLAND | Ground-to-air weapon system |   |
| TIGER | Helicopter |   |
| A400M | Heavy lift military transport aircraft |        |
| PAAMS (*) | Munition procurement |    |

(*) carried out within FSAF

PD



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OCCAR PROGRAMMES: Phase & Cost

(approx.)

| | | | |
|---------------|---|---|-----------------|
| BOXER | Multi role, wheeled, armoured vehicle | Development | 180 M€ |
| COBRA | Counter battery radar | Production | 650 M€ |
| FSAF | Future Surface-to-Air missiles Family | Delta Dvt & Prod. | 2500 M€ |
| ROLAND | Ground-to-air weapon system | French Dvt & Prod. | 480 M€ |
| TIGER | Helicopter | Development / Production / Initial ISS | 5000 M€ |
| A400M | Heavy lift military transport aircraft | Development / Production / Initial ISS | 22000 M€ |
| PAAMS | Munition procurement | Production | 530 M€ |
| TOTAL | | | 31340 M€ |



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OCCAR's Mission Statement

“It is OCCAR's mission to become the best multinational defence procurement agency”.

To this extent, OCCAR-EA will:

- co-ordinate, control and implement the armament Programmes assigned to it by the Member States ;
- co-ordinate and promote joint activities for the future;
- improve the effectiveness of Programme management in terms of cost, schedule and performance



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OCCAR Strategic Aims

1. Improve the effectiveness of Programmes on time, performance and cost
2. Provide effective financial planning and management of funds
3. Ensure the most efficient use of resources
4. Improve Programme management processes
5. Improve corporate support services and processes
6. Innovate, develop competencies and empower the entire staff
7. Facilitate the effective integration of designated Programmes and TDPs



How does it work? - Programme Management Principles

- Harmonisation of requirements (nations)
- Competition and Renunciation of Juste Retour
- Simplified Approval Process
- Through Life Approach
- Comprehensive planning at early stages of the programme (incl. emphasis on Risk Management)

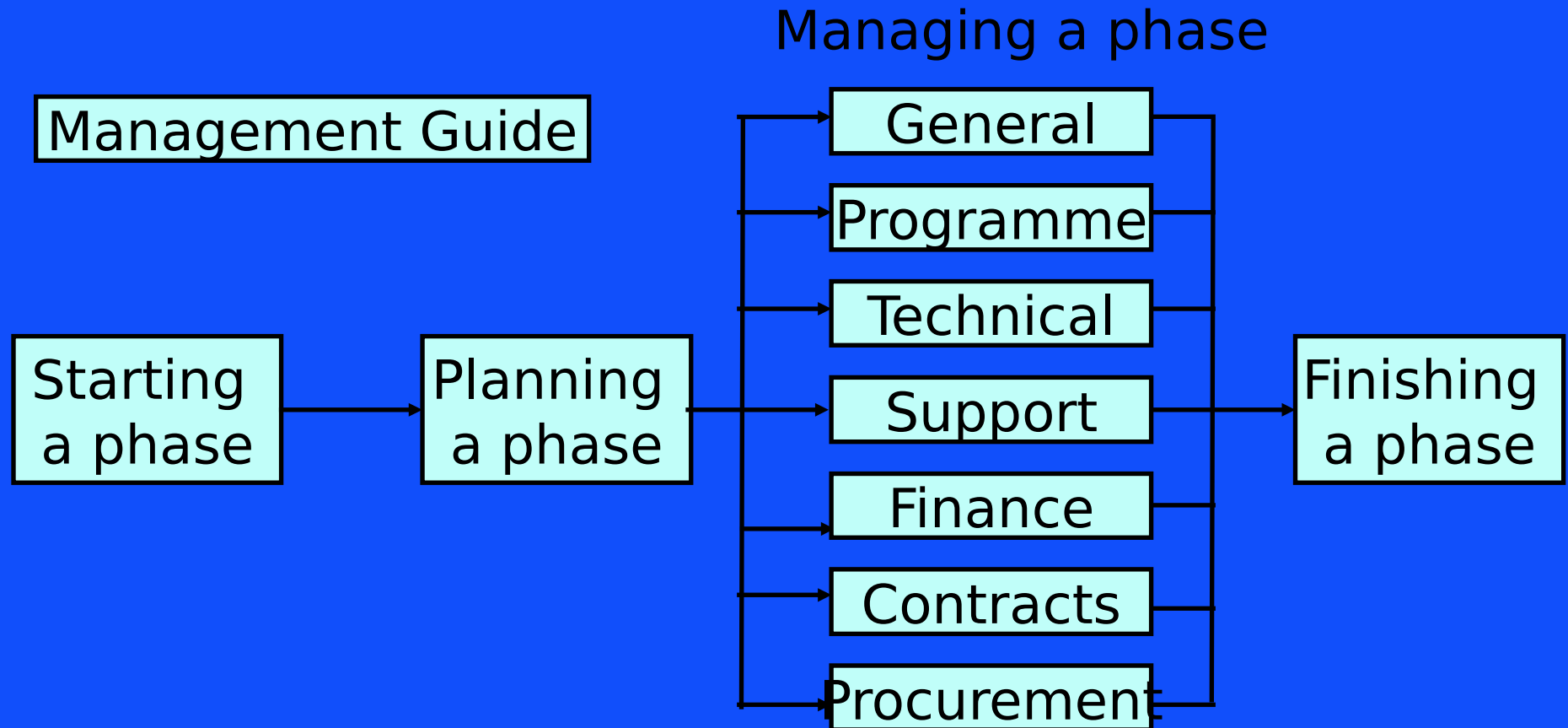
OCCAR Programme Management Principles
supported by a full set of OCCAR Management
Procedures (OMPs)



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OMPs Structure



Performance and Risk Management / 1

- Performance Management & Alignment of the EA
 - Business Plan in Place
 - Summary of OCCAR-EA activities and associated resources on a rolling 5 years period (re-issued annually)
 - Aligned with OCCAR Mission, Strategic Aims and Programmes “High Level Objectives” (HLOs)
 - Performance oriented (use of KPIs)
 - Communicated and supported across the whole OCCAR-EA (alignment of Management Plans and Individual objectives)
 - Management System to be further developed
 - Target: system along the lines of Balanced Scorecard principles deployed in the near future.



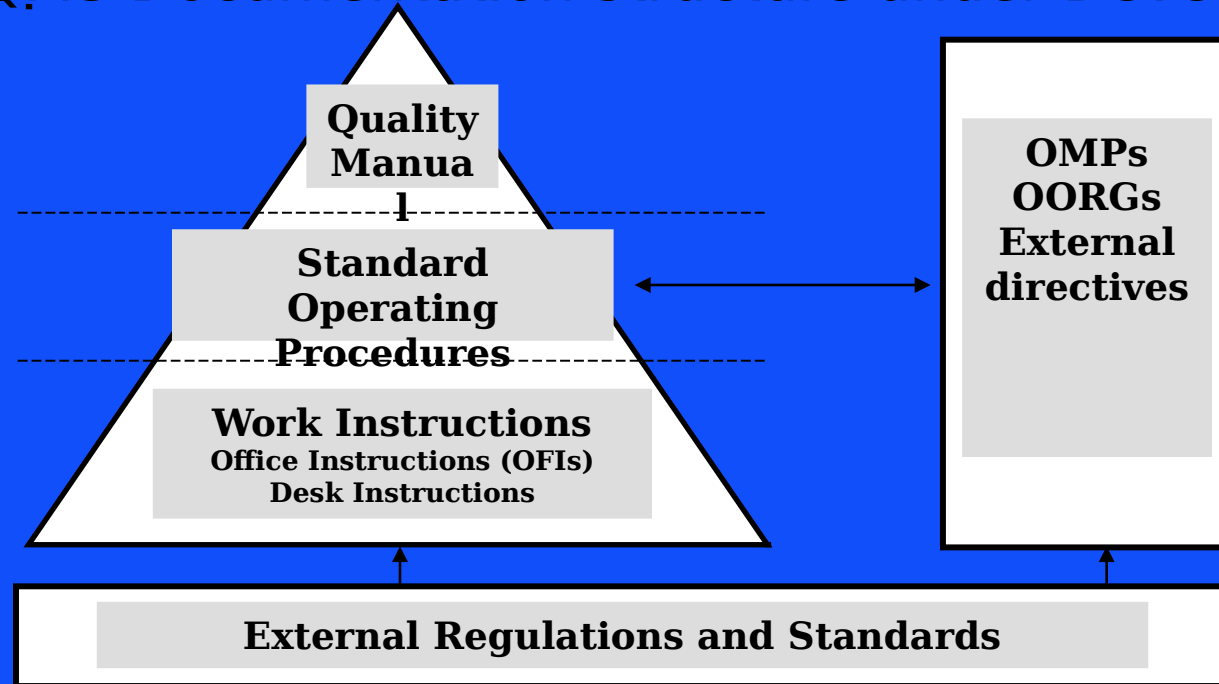
Performance and Risk Management / 2

- Risk Management
 - Concept recognised across the EA
 - OMP in place
 - All Programmes with Risk Management Plans
 - Heterogeneous tools used across the Programmes
 - Risk Management System to be further developed
 - Guidelines and instructions to be further developed
 - Use of Risk Maturity Matrix
 - Deployment of a corporate Risk Management tool (target: 2004 for full deployment)



Quality Management System

- Internal QMS Documentation structure under Development:



- Initiative for ISO 9001:2000 certification
 - Target: certification of OCCAR-EA in 2004.

Contracts / 1

- Clear contractual framework
 - **renunciation of juste retour** and contract award **after competition**
 - **Procurement Strategy**
 - **Prime Contractor**: single point of responsibility / single contract
 - OCCAR will choose “Prime” by competition (wherever possible), ‘Prime’ chooses ‘Subs’, but must be able to demonstrate competition
 - Advertising in national bulletins, EU-bulletin and OCCAR web-site: www.occar-ea.org
 - Contracts procedures and T&Cs in place , will be streamlined



Contracts / 2

- Legacy Programme Constraints
 - Joint Ventures with low delegation from Parent Companies
 - Juste Retour
 - Old contract processes and Terms and Conditions



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Initiatives for Improved Collaborative Programme Management

- Configuration Strategy
- Common ISS
- Pricing and Costing
- Certification and Qualification
- Use of Test and Expertise Centres
- Use of e-business



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Examples of Programme Achievements

- Start of A400M as an OCCAR Programme - 27 May 2003
- Incremental/Modular Procurement: BOXER
- Use of competition: Tiger trainers, Roland enhancement
- Economies of Scale : FSAF/PAAMS ammunition
- NAMSA agreement for COBRA ISS
- Closure of HOT/MILAN within timescale



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Doing it Better 1

- Programme Managers empowered and accountable
- CO support and expertise
- Multi-Programme Organisation



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Doing it Better 2

- Programme Matrix & Focal Points
- Communities of practices / interactivity Projects
- Corporate communication



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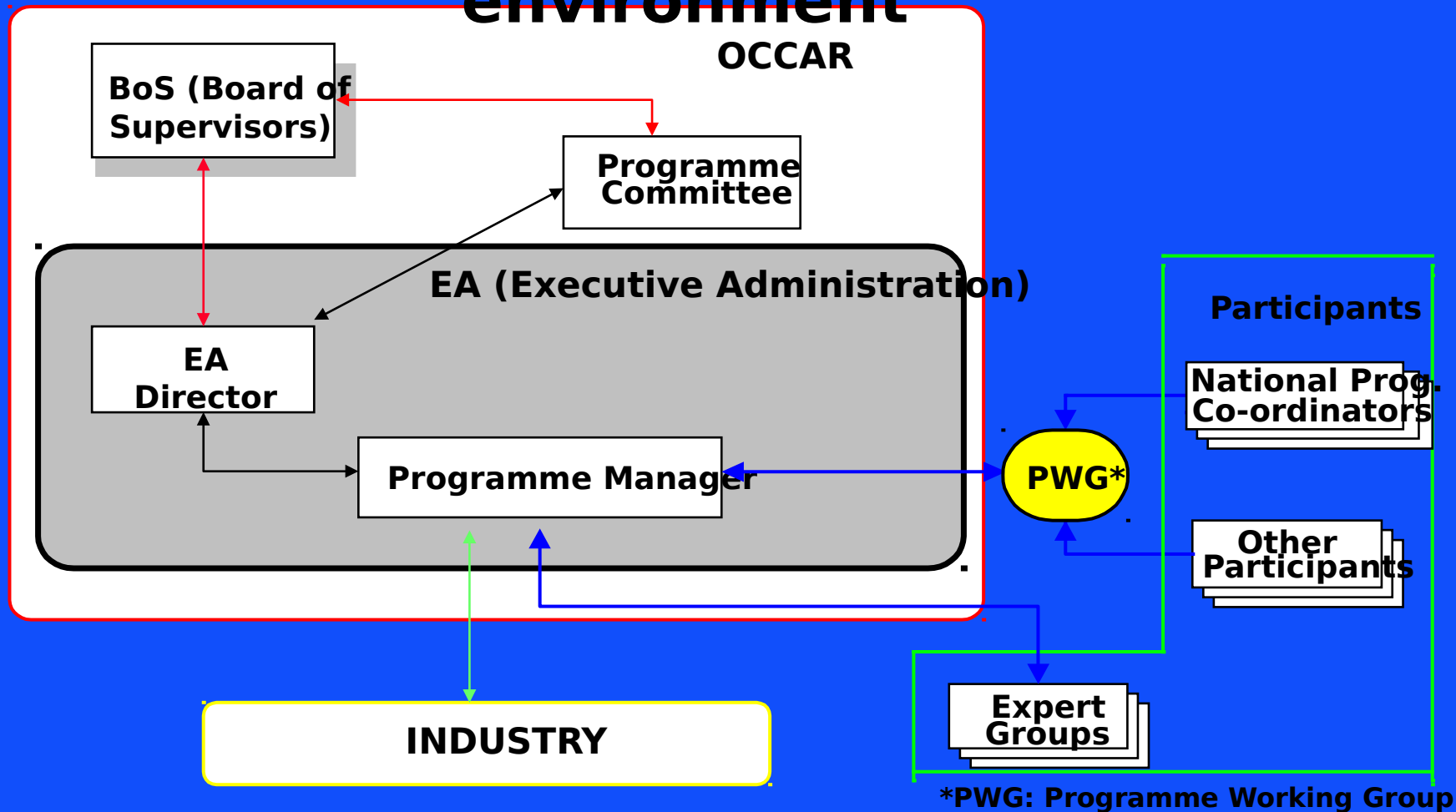
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Communities of Practices / interactivity Projects (Doing It Better 3)

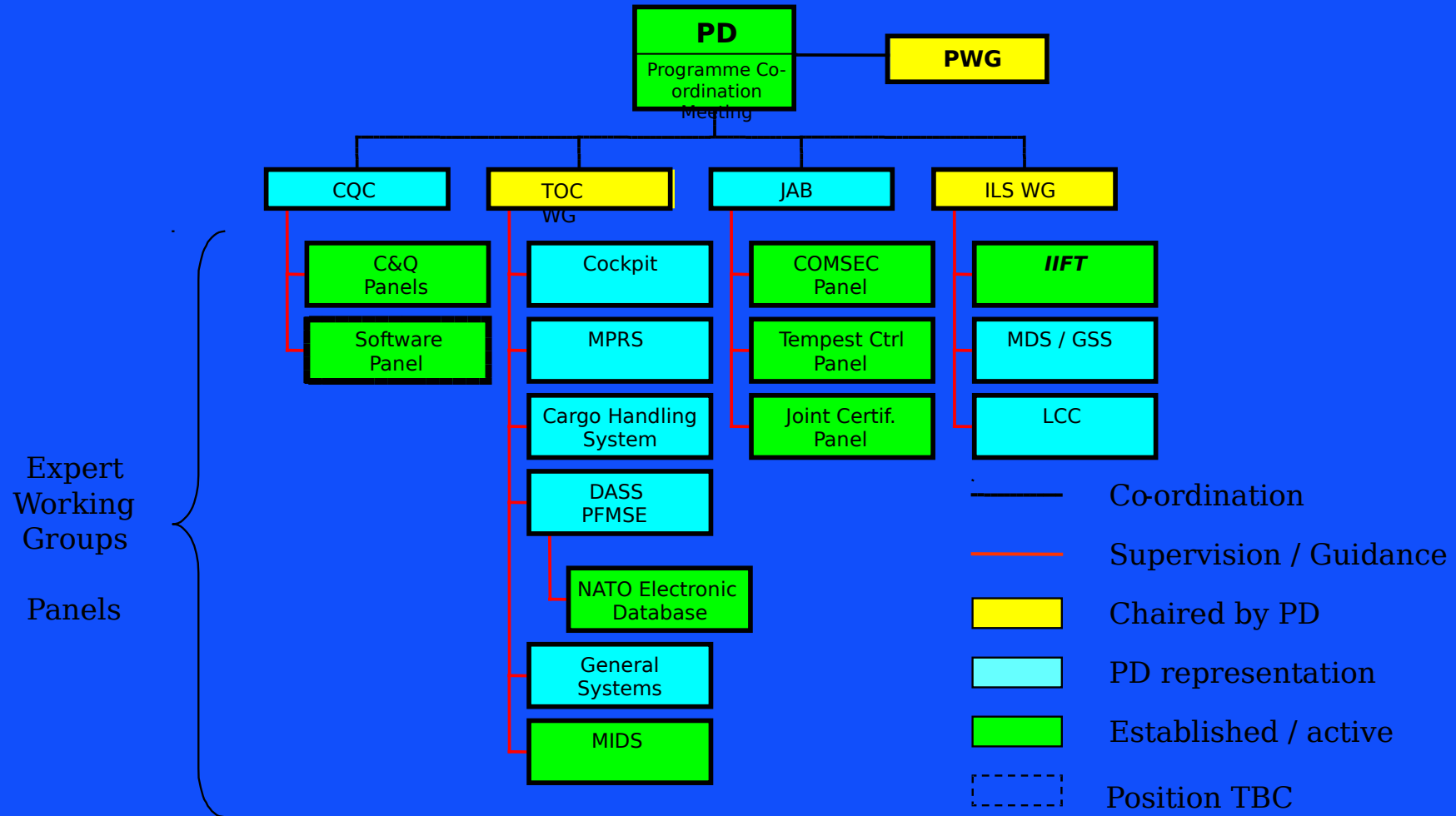
- Defined methodologies for sharing knowledge
 - Pilot project
 - Peer assist
 - Specialist group
 - Database
- Achievements include:
 - ISS methodologies: use of a spares quantification tool
 - Risk management: lessons learned from use of software tool and use of risk register



Programme relationship in the OCCAR environment



The A400M example



What Happens Next?

- Demonstrate its effectiveness & efficiency as a step for future European Armament Agency
 - A successful A400M Programme
 - Attract new Business
 - TDPs (Military Space,...)
 - New Programmes (future Franco-Italian Frigates)
 - In Service Support
 - fit in European Capability Action Plan (Capability Gaps)
 - Demonstrate value for money in our core business (Programme management)



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